



Texas Department of Health

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TO: Kidney Health Care Providers and Recipients

**FROM: Debra Wanser, R.N., M.P., Aff.
Associate Commissioner
Associateship for Family Health**

DATE: August 6, 2003

SUBJ: Kidney Health Care Program Benefit Changes for Fiscal Years 2004 & 2005

Kidney Health Care (KHC) Program benefits for Client Services (Medical, Drug and Travel benefits) are expected to be approximately \$44.1 million for the current biennium (FY2002 and FY2003), which ends August 31, 2003. Based on projected growth rates in caseload and increased demand for services, Client Services expenditures for FY 2004 and FY2005 are estimated to be about \$58 million. Kidney Health Care was appropriated \$38.7 million for both FY2004 and FY2005, which includes \$33.9 million for Client Services. Also, the General Appropriations Act mandated the implementation of a drug co-pay during the next biennium. Additionally, enacted legislation related to transportation transferred the responsibility of transportation services from the Texas Department of Health to the Texas Department of Transportation.

In order to provide client services within the available appropriation and remain within the budget, KHC will have to implement program benefit changes for Fiscal Years 2004 and 2005.

The following are the initial program changes that will be implemented beginning September 1, 2003:

Fiscal Years 2004 and 2005

1. KHC will implement a \$6.00 co-pay for each prescription.
2. KHC will no longer provide drug coverage for Medicaid recipients.

It is anticipated that additional changes to current program benefits will be necessary and this information will be provided to you as soon as practical. Some changes may be made to the Travel Benefit based on funding limitations in addition to the legislative mandates.

If you have any questions regarding these changes to KHC benefits, please contact Mr. Phillip W. Walker, Chief, Bureau of Kidney Health Care, at 512/834-6770.